

understand, the farmer that sold the day before Katrina got his money out of the marketplace, and what the LDP did is protect those farmers that sold later to get the same price that farmer got right before Katrina. So that's exactly what this is supposed to do.

Farmers don't have any power in this marketplace to speak of. If you want to give all the power to the big guys, go to this system. It's not what we want to do in the Ag Committee.

Mr. BOEHNER. Reclaiming my time, I served for the last 17 years with Mr. PETERSON on the Ag Committee. I'm on leave, and I know all my colleagues on the Ag Committee are glad that I'm on leave. But the fact is that marketing loans and loan deficiency payments were there to facilitate the marketing of a crop. They weren't there to make or set up a system to allow or to put farmers in a position where they become day traders, and the current system does, in fact, allow that.

So instead of looking at a daily posted county price, if you looked at a monthly posted county price where you take out the high for the month and the low for the month and pick 5 days, you've got a fair price for all farmers. You've got a fair system that prevents people from gaming the system because of some abnormality in the market that may occur on one or two days.

This is a commonsense amendment. I would urge my colleagues to adopt it.

Mr. Chairman, I yield back my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. BOEHNER).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. BOEHNER. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Ohio will be postponed.

Mr. PETERSON of Minnesota. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. ALLEN) having assumed the chair, Mr. SCHIFF, Acting Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 2419) to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes, had come to no resolution thereon.

**MODIFICATION TO AMENDMENT EN BLOC OFFERED BY MR. PETERSON OF MINNESOTA AND PERMISSION TO OFFER AMENDMENTS NUMBERED 9 AND 11 AT ANY TIME**

Mr. PETERSON of Minnesota. Mr. Speaker, I ask unanimous consent that

during further consideration of H.R. 2419, pursuant to House Resolution 574, (1) the amendment en bloc offered by the gentleman from Minnesota be considered as modified by the form I have placed at the desk and that it be considered as adopted as so modified, and (2) amendments No. 9 and No. 11 be permitted to be offered at any time.

The SPEAKER pro tempore. The Clerk will report the modification.

The Clerk read as follows:

Modification to en bloc amendment offered by Mr. PETERSON of Minnesota:  
Strike amendment No. 9.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

#### FARM, NUTRITION, AND BIOENERGY ACT OF 2007

The SPEAKER pro tempore. Pursuant to House Resolution 574 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the further consideration of the bill, H.R. 2419.

□ 1009

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 2419) to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes, with Mr. SCHIFF (Acting Chairman) in the chair.

The Clerk read the title of the bill.

The Acting CHAIRMAN. When the Committee of the Whole rose earlier today, a request for a recorded vote on amendment No. 13 printed in part B of House Report 110-261 by the gentleman from Ohio (Mr. BOEHNER) had been postponed.

AMENDMENT NO. 15 OFFERED BY MR. MANZULLO

The Acting CHAIRMAN. It is now in order to consider amendment No. 15 printed in part B of House Report 110-261.

Mr. MANZULLO. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 15 offered by Mr. MANZULLO:

Strike subsection (a) of section 1246 of the Food Security Act of 1985, as added by section 2409(a) of the bill, and insert the following:

“(a) PAYMENTS FOR CONSERVATION PRACTICES.—The total amount of payments that a person or a legal entity (except a joint venture or a general partnership) may receive, directly or indirectly, in any fiscal year shall not exceed—

“(1) \$60,000 from any single program under this title (other than the environmental quality incentives program) or as agricultural management assistance under section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 524(b));

“(2) \$125,000 from more than one program under this title (other than the environ-

mental quality incentives program) or as agricultural management assistance under section 524(b) of the Federal Crop Insurance Act; or

“(3) \$450,000 from the environmental quality incentives program.

MODIFICATION TO AMENDMENT NO. 15 OFFERED BY MR. MANZULLO

Mr. MANZULLO. Mr. Chairman, I ask unanimous consent to modify the amendment with the modification placed at the desk in order to make a technical correction.

The Acting CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment No. 15 offered by Mr. MANZULLO:

Strike subsection (a) of section 1246 of the Food Security Act of 1985, as added by section 2409(a) of the bill, and insert the following:

“(a) PAYMENTS FOR CONSERVATION PRACTICES.—The total amount of payments that a person or a legal entity (except a joint venture or a general partnership) may receive, directly or indirectly—

“(1) in any fiscal year shall not exceed—

“(A) \$60,000 from any single program under this title (other than the environmental quality incentives program) or as agricultural management assistance under section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 524(b)); or

“(B) \$125,000 from more than one program under this title (other than the environmental quality incentives program) or as agricultural management assistance under section 524(b) of the Federal Crop Insurance Act; and

“(2) for the period of fiscal years 2008 through 2012, shall not exceed \$450,000 from the environmental quality incentives program.

Mr. MANZULLO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The Acting CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Acting CHAIRMAN. Without objection, the modification is accepted.

There was no objection.

The Acting CHAIRMAN. Pursuant to House Resolution 574, the gentleman from Illinois (Mr. MANZULLO) and the gentleman from Minnesota (Mr. PETERSON) each will control 5 minutes.

The Chair recognizes the gentleman from Illinois.

Mr. MANZULLO. Mr. Chairman, I rise in support of my amendment that will exempt the Environmental Quality Incentives Program, EQIP, from a \$60,000 payment limitation that this bill proposes for conservation purposes.

This program provides farmers with financial and technical assistance to plan and implement soil and water conservation practices and has the full support of the environmental and farming community.

This amendment is more of a technical correction, as all it does is return the EQIP payment limitation to its current level of \$450,000 over the life of the farm bill. The amendment does not

impact the increased payment limitation for direct payments. The amendment is narrowly tailored to only impact payments for EQIP-specific projects.

Currently, 60 percent of EQIP payments go to livestock producers, who use those cost-share payments to establish environmentally sound structures and practices on their farms. Without these payments, these structures and practices in many cases will not meet EPA standards for environmental care.

The problem with the proposed \$60,000 limitation is that these EQIP programs are so expensive that the farmers, in many cases, probably in most cases in my district, won't choose to take it because of the cost.

To give you an example, we have two methane digesters in my congressional district. Each of them cost over a half a million dollars. The farmer could get up to 50 percent and sometimes even more of the costs of that from the present EQIP program, but under the proposed law, he could only get \$60,000.

When I was in private practice, I practiced agricultural law and had to work with farmers to come into compliance with the EPA; and even though EQIP was not around at that time, the remedial measures that we took for runoff, et cetera, to be in compliance with EPA in many cases ran into the several hundred thousand dollars.

This is what I'm hearing from the constituents that I represent, that they respect the fact that EQIP is there, but \$60,000 simply would not go long enough or far enough.

So our proposal is to return it to its present standard. It spends no more money. It makes money available to build these expensive facilities.

Mr. Chairman, I reserve the balance of my time.

Mr. PETERSON of Minnesota. Mr. Chairman, Mr. MANZULLO and I are good friends, and I allowed him to modify his amendment, but I have to very strongly oppose this amendment.

We've added several billion dollars to the conservation baseline in this bill, and even with that, we still have big backlogs in these programs. It's going to go a long ways to correcting that, but one of the ways that we're going to make this money go further is by applying the same payment limitations to these conservation programs that we're applying to title I.

And the question to me is the same. If the argument is that we have large farms that shouldn't be entitled to title I payments, then why is it all right for large folks to be entitled to title II payments?

What this will do, the changes that we've made are going to make this go further. It's going, I would say, to allow smaller producers a better opportunity to have access to these limited programs.

And so I guess I would just say what is good for the goose is good for the gander, that we're applying these same

limitations all across the programs. I understand that some of the larger folks aren't going to like this; but, you know, this is what we need.

So I hear arguments against this because somehow or another conservation is different, but with the payment limitations, the effect of that is to actually weaken the title I safety net for producers.

□ 1015

So, it is just not right to have a different standard for these conservation programs. I ask my colleagues to stick with the committee's position. I strongly oppose this amendment.

Mr. Chairman, we reserve the balance of our time.

Mr. MANZULLO. Mr. Chairman, in answer to the question of the gentleman from Minnesota, conservation is different from trying to meet an EPA mandate. You can do a tremendous amount of conservation programs for \$60,000, but EQIP programs, by their very nature, cost in the hundreds of thousands of dollars. That's the problem.

The problem that we have here is that the \$60,000 limitation goes into effect. Money may not be available for farmers to be able to meet environmental standards. So this really is a pro-environmental vote. I don't really want to talk about geese. I am talking about cattle. But this all applies to chicken farms and the tremendous runoff that we have.

By allowing this amendment and removing the \$60,000 cap, this will increase the number of environmentally protected areas in farming across the country. That's the reason for it. It costs no more money, and you might want to spread these programs across the board. I can understand that on conservation, but not on these mandated programs that are title II.

Mr. Chairman, I reserve the balance of my time.

Mr. PETERSON of Minnesota. Mr. Chairman, I yield 2 minutes to my good friend, the ranking member from Virginia (Mr. GOODLATTE).

Mr. GOODLATTE. I thank the gentleman for yielding. I join him in opposition to this amendment.

Mr. Chairman, I understand the gentleman from Illinois' concerns, but with regard to the conservation programs, we have a finite amount of money. The commodity programs work under a baseline that assumes market conditions.

The money rises and falls, and every farmer who meets those conditions can qualify for them. But with the conservation programs, there is a finite amount of money. Without the payment limitations, many farmers will not receive any help whatsoever in complying with different environmental regulations unless we have these payment limitations, which allows the payment to be spread across a wider area. This is a new reform-minded payment limitation. While some

may think it's too stringent, payment limitations need to be applied uniformly across both title I and title II.

Easement programs such as the wetlands reserve are exempted from this so we can protect some of the most environmentally sensitive land through easements. But the committee must be consistent in our views of all payments to producers, not just commodity payments.

I join the gentleman in reluctantly opposing the gentleman from Illinois' amendment.

Mr. MANZULLO. The problem is that the EQIP program is already being doubled in the amount from \$1 to \$2 billion, where the caps are being lowered to \$60,000. This is not a conservation.

The purpose of this is so that cow manure and pig manure and chicken manure don't flow into the rivers and the streams. That's the problem with the Chesapeake. It's the chicken manure that's destroying the Chesapeake.

When you have the EQIP cap, that means less chicken producers will be able to afford retention systems in order to comply with EPA. So this is a pro-environmental vote, and there is plenty of money because the chairman recognizes the fact that the total amount has been doubled.

Mr. Chairman, I reserve the balance of my time.

Mr. PETERSON of Minnesota. Mr. Chairman, how much time do I have left?

The Acting CHAIRMAN. The gentleman from Minnesota has 2 minutes remaining.

Mr. PETERSON of Minnesota. I understand what you are saying, but the reality is, if the argument is that wealthy farmers should somehow be limited to title I payments, then from my perspective, if you got enough money to build a great big huge factory farm or if you got enough money to go out and buy 5 million acres, I don't know why the government needs to help if you've got that much money to do that.

What we're doing here is we're seeing that this is spread across everybody. What it will do is it will make this available to a lot more people. It will make it available to smaller farmers. Frankly, if you have big operations, I think you can pick up this cost and make it part of the cost of doing business.

I understand what you are saying, but I just disagree, given the amount of money we have.

Mr. Chairman, I yield to my good friend, Mr. BLUMENAUER from Oregon, for the balance of the time.

Mr. BLUMENAUER. I appreciate the gentleman's courtesy.

Mr. Chairman, I appreciate where my friend from Illinois is coming from, but the chairman said it right. This would be an indirect subsidy for some of the largest operations who need it the least, and it would penalize people who need this assistance. Even though there is a plus-up under the bill, it

doesn't go far enough to meet the need for conservation. We will find that out.

I strongly support what we have heard from the chair and the ranking member. I do think this is the environmental position, and I urge rejection of this amendment.

Mr. MANZULLO. Mr. Chairman, the payment limitations of the farm bill go from \$2 million to \$1 million. Under the EQIP programs it goes from \$450,000 down to \$60,000. This is not for wealthy farmers. This is not for factory farms. These are for the little guys that I represented when I practiced law in Ogle County, Illinois, for 22 years.

If we had a program like this, the money would have gone a long way. But even with a modest herd of 300 head, it costs several hundred thousand to build a retention system or a methane digest, if you want to go into doing that. Our methane digesters in our district, the one that has 500 dairy cattle, they are able to run a city of 500 people, of 500 homes; thus, it conserves electricity from the nuclear plant and also from coal-burning facilities. The problem is getting onto the grid and getting a reasonable price.

I was a chairman of the Small Business Committee. When I practiced law, the guys that use this, these are all little guys around me. We don't have people with thousands and thousands of cattle in northern Illinois. So I would suggest that for the small business farmer, to make this program go even further, that we should allow this amendment.

The Acting CHAIRMAN. The time of the gentleman has expired.

The gentleman from Minnesota has 30 seconds remaining.

Mr. PETERSON of Minnesota. Mr. Chairman, I appreciate what the gentleman is saying, but there are a lot of folks that disagree with these payment limits on title I. I, myself, have some concerns about them.

It just has got to be this way. We are putting a hard cap of \$100 million of all payments. We are doing that to conservation, title I. This is the way it ought to be. This is the way it needs to be. We are not treating conservation any different. We are treating him as exactly the same. I am not one that gets into an argument about big or small, rich and poor. This is just justice for all.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MANZULLO), as modified.

The amendment, as modified, was rejected.

AMENDMENT NO. 11 OFFERED BY MR. WELCH OF VERMONT

The Acting CHAIRMAN. It is now in order to consider amendment No. 11 printed in part B of House Report 110-261.

Mr. WELCH of Vermont. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 11 offered by Mr. WELCH of Vermont:

In section 1409(b), insert after paragraph (6) the following new paragraph (and redesignate subsequent paragraphs):

(7) evaluating cost of production variables, including cost of feed and cost of fuel;

In section 1409(c)(3)(D), insert before the period at the end the following: “, including the Northeast, Southeast, Midwest, and Western regions of the country”.

In section 1409(d), strike “Not later than two years after the date of the first meeting of the commission,” and insert “Not later than 18 months after the date of the enactment of this Act.”.

#### POINT OF ORDER

Mr. GOODLATTE. Mr. Chairman, a point of order. Isn't the gentleman out of order in offering this amendment?

The Acting CHAIRMAN. Pursuant to the previous order of the House of earlier today, the gentleman is permitted to offer the amendment at any time.

Pursuant to House Resolution 574, the gentleman from Vermont (Mr. WELCH) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Vermont.

Mr. WELCH of Vermont. Mr. Chairman, I want to thank Chairman PETERSON and Ranking Member GOODLATTE for establishing in the bill the Federal Milk Marketing Order Commission. It's my hope that the commission will go a long way in fixing many of the problems inherent in the current system, and it will lead, hopefully, to a more stable price for milk.

The milk marketing orders, like many of the agricultural pricing programs, almost dates back to the New Deal. The intent is to provide a lifeline, not a lifestyle, and a safety net, not really a subsidy.

But one of the problems with the system is it does not take adequately into account the cost of production. In Vermont, in the last year, in the world of dairy, we had the perfect storm: high grain prices, high fuel costs, terribly bad weather, and very low milk prices.

The purpose of this commission is to allow it, this amendment, to allow the commission to take into account the cost of production.

We must be sure that if dairy farmers, like other members of the agriculture community, are going to be able to pay their bills, the cost of production must be reflected in the pricing program.

Mr. PETERSON of Minnesota. Mr. Chairman, if the gentleman would yield?

Mr. WELCH of Vermont. I yield, yes.

Mr. PETERSON of Minnesota. I want to thank the gentleman from Vermont for bringing up this very important issue. As you know, that version of the farm bill that the House Agriculture Committee reported contains a request for the study of Federal Milk Marketing Orders.

As we began the farm bill process last year, we traveled around the country listening to producers, processors and other members of the dairy industry. What we heard was that the Fed-

eral Milk Marketing Order system was in need of reform, and we have taken steps to address that.

The committee bill establishes a system to review this system and report its findings to Congress and the Secretary of Agriculture. The committee hopes and expects that this study will provide information necessary to develop the changes that modernize and rationalize milk marketing regulations in this country.

The committee recognizes the concern that this commission could lead to delay within the Department regarding ongoing efforts to reform the improvement of the Federal Milk Marketing Order system. We do not wish this to be the case and have directed the Secretary to address that concern in the committee substitute.

So, if the gentleman is willing to withdraw his amendment, I would extend an offer to work with him in conference to make sure that his concerns on energy and feed costs are incorporated into the commission study.

Mr. WELCH of Vermont. Mr. Chairman, on behalf of myself and my cosponsor, my friend, Mr. ARCURI from New York, we accept the gracious offer of the chairman.

Mr. Chairman, at this time we would move to withdraw our amendment.

The Acting CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

AMENDMENT NO. 16 OFFERED BY MR. BLUMENAUER

The Acting CHAIRMAN. It is now in order to consider amendment No. 16 printed in part B of House Report 110-261.

Mr. BLUMENAUER. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 16 offered by Mr. BLUMENAUER:

In section 1238I of the Food Security Act of 1985, as amended by section 2110, insert at the end of subsection (b) the following new sentence: “Grants may also be made for purchase of conservation easements or other interests in land pursuant to a transferable development rights program in which the entity acquiring the interests sells them for development in an urban area consistent with local land use plans, but grant funds may not be used to reduce the cost of development rights.”.

The Acting CHAIRMAN. Pursuant to House Resolution 574, the gentleman from Oregon (Mr. BLUMENAUER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Oregon.

Mr. BLUMENAUER. Mr. Chairman, I rise to offer an amendment in order to highlight an important but unfortunately not well understood farmland preservation tool used by communities across the country.

The United States loses more than 4,000 acres of farmland and open space to development every day. Since 1945,

America has lost nearly 20 percent of its farmland. Some of the best farmland, which is close to our growing cities, is being lost to development on an ongoing basis.

Sadly, local governments have few tools to protect this farmland. They can issue regulations, which some feel is burdensome; they can purchase land; or they can purchase development rights from landowners to prevent development, which can be very expensive.

Transferrable development rights, called TDRs in the trade, are an important market-based tool used by States and cities to protect farmland, property rights, and taxpayer dollars.

Under a TDR program, development rights can be separated from a parcel of land and sold to a private party, usually a developer. The developer can then use these rights to develop in an urbanizing region with a high demand for development that is already served by highways, water and sewer systems, not taking out scarce farmland.

□ 1030

This creates a private market for development rights and gives farmers options. Under this system, the private sector rather than tax dollars is paying for preservation of the parcel from which rights are purchased.

Successful TDR programs have been in place throughout the country since 1980 and have protected tens of thousands of acres of farmland and open space. They are currently in use in over 170 communities around the country, including Montgomery and Calvert Counties in Maryland, Blue Earth County in Minnesota, and Boulder County in Colorado. My amendment would simply clarify that funding from the Farm and Ranchland Protection program, which has been very successful in preserving farmland through the purchase of conservation easements, can be used for this type of program.

I reserve the balance of my time.

Mr. HOLDEN. Mr. Chairman, I rise in opposition to the amendment and for the purpose of engaging in a colloquy with the gentleman from Oregon.

The Acting CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. HOLDEN. I appreciate the gentleman for raising this issue. I agree that transferrable development programs are an important tool to protect farmland; however, I have some concerns about the way this amendment is drafted. If the gentleman would withdraw his amendment, I would be happy to work with him as this bill moves through the process to clarify that Farm and Ranchland Preservation Program funds can be used for this purpose in a way that ensures that the underlying program is not negatively affected.

I yield to the gentleman from Oregon.

Mr. BLUMENAUER. I appreciate the gentleman's willingness to work with

us on this. The beauty of the Transfer of Development Rights programs is, when they are working correctly, they don't need government funding. However, an initial grant is sometimes extraordinarily useful in getting a program started in the first place. It is why I think funding from the FRPP is important.

Upon the gentleman's request, I am happy to withdraw this amendment, as long as we can work to make sure that the intent, and I actually think this is the intent of the existing legislation, to work with you to clarify the language to make sure that this innovative program will help stretch the tax dollars for the Farm and Ranchland Protection Program even further.

Our Nation's farmers face development pressures every single day, and we need to ensure that communities are able to use all the tools available to help the farmers who want to keep farming resist development pressures.

I appreciate the gentleman's courtesy and look forward to working with him.

Mr. HOLDEN. I assure the gentleman he has my commitment as well as the commitment of the chairman of the full committee.

Mr. BLUMENAUER. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The Acting CHAIRMAN. Without objection, the amendment is withdrawn. There was no objection.

AMENDMENT NO. 9 OFFERED BY MR. ARCURI

The Acting CHAIRMAN. It is now in order to consider amendment No. 9 printed in part B of House Report 110-261.

Mr. ARCURI. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Mr. ARCURI:

At the end of subtitle D of title I, add the following new section:

**SEC. 2410. ADJUSTMENT OF CLASS I MILK PRICE MOVER TO REFLECT ENERGY AND ANIMAL FEED COST INCREASES.**

It is the sense of Congress that the Secretary of Agriculture should use existing authority when determining the Class I milk price mover to take into account the increased cost of production, including energy and feed.

The Acting CHAIRMAN. Pursuant to House Resolution 574, the gentleman from New York (Mr. ARCURI) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New York.

Mr. ARCURI. Mr. Chairman, I plan to withdraw my amendment, but before I do I would like to take a few minutes to highlight a few issues facing dairy farmers in our district.

First of all, I would like to express my sincere thanks to Chairman PETERSON for achieving what many thought was impossible, and that is a sensible, balanced, comprehensive reauthorization of the farm bill. I especially appre-

ciate that the chairman included a 5-year extension of the MILC program, which is so critical to dairy farmers in my district and throughout the Northeast.

Unfortunately, with skyrocketing costs of energy and feed, it is becoming increasingly difficult for dairy farmers to stay in business. New York is third in dairy production nationwide and home to 6,200 dairy farms which produce 12 billion pounds of milk a year and generate \$2 billion in farm revenue.

From 2001 to 2006, however, the cost of gasoline and fuel had increased over 100 percent. The cost of feed has increased nearly 20 percent and the cost of fertilizer has increased over 40 percent, to list just a few of the dairy farmers' expenses. While all the costs of production are based on market prices, the price a dairy farmer can charge for a hundred weight of fluid milk is not.

In response, my amendment simply states the sense of Congress that the USDA should use its existing authority when determining the class I milk price mover to factor in increased costs of production like energy and feed. It is patently unfair that Exxon, Conoco, Mobile, and other oil companies can increase the price of their product when costs of production like exploration and labor go up; yet dairy farmers are held hostage to severe price fluctuations and forced to succumb to a process that doesn't always reflect their increased costs in production.

Mr. Chairman, at this time I would like to yield 1½ minutes to my good friend and colleague from New York (Mrs. GILLIBRAND), a cosponsor of my amendment, and a member of the House Agriculture Subcommittee on Dairy.

Mrs. GILLIBRAND. Mr. Chairman, I rise today in support of my fellow colleague from upstate New York. I want to echo the sentiments of Congressman ARCURI.

Upstate New York dairy farming and small dairy farming across the country is in grave need of consideration. I was very, very grateful for the leadership of Subcommittee Chairman BOSWELL, who really extended an enormous amount of advocacy on behalf of dairy farmers throughout the country.

I also want to thank Chairman PETERSON and the other members of the Agriculture Committee who really thought through the needs of dairy, and made sure that MILC was preserved in this farm bill.

But the issues are very serious. Last summer, the price of milk was \$12 a hundred weight, and the cost of producing that milk was between \$16 and \$18 a hundred weight. The cost of feed, the costs of fuel have continued to escalate. This summer, if you go to a gas pump, it is over \$3.50 a gallon; that is the way it was last summer. Now, we are very thankful because we have high milk prices. But this constant fluctuation is a problem that we need to address, and I am going to work with

Chairman BOSWELL and Chairman PETERSON over the next several years to look at milk policy, how we can improve the market order system and how we can improve dairy pricing throughout our country.

I thank the gentleman for the time.

Mr. ARCURI. Mr. Chairman, I thank my colleague from New York for her leadership on dairy issues and tireless service on the Agricultural Committee on behalf of New York.

Mr. Chairman, at this time I yield to the distinguished subcommittee chairman, Mr. BOSWELL, subcommittee chairman of the Dairy Subcommittee, who has truly done a remarkable job in getting us where we are today, for as much time as he may consume.

Mr. BOSWELL. Mr. Chairman, I must recognize Mr. ARCURI and Mrs. GILLIBRAND for their great work. The farmers of their State ought to be very proud that they have spoken out, and we have listened and we want to make things better.

I want to thank them for this amendment that he has agreed to withdraw, and to say the following: that the moving renewable industry and its impact on feed cost has been something that the House Agriculture Committee has monitored closely. The Subcommittee on Livestock, Dairy, and Poultry even held a hearing on this issue earlier this year.

As the United States moves toward energy independence and a stronger renewable fuel base, the cost of production has increased for our producers. This issue affects my district especially, since it is one of the largest and a major ethanol producing area.

We must work together, and we will work together, to find the balance between feed and fuel, and ensure that one important industry is not hurt by the other. So I encourage my distinguished colleague to withdraw his amendment, with the understanding that I will work with him in conference or wherever to make sure his concern about the cost of feed and fuel is incorporated in the final version of this bill for dairy producers.

Mr. ARCURI. I thank the distinguished subcommittee chairman as well as Chairman PETERSON for their commitment to address this very critical issue for dairy farmers in my district during the conference.

I ask unanimous consent to withdraw my amendment.

The Acting CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

The Acting CHAIRMAN. It is now in order to consider amendment No. 18 printed in part B of House Report 110-261.

AMENDMENT NO. 19 OFFERED BY MR. DAVIS OF ILLINOIS

The Acting CHAIRMAN. It is now in order to consider amendment No. 19 printed in part B of House Report 110-261.

Mr. DAVIS of Illinois. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 19 offered by Mr. DAVIS of Illinois:

Strike the three sections in subtitle C of title I, and insert the following new sections:

**SEC. 1301. SUGAR PROGRAM.**

(a) **FORFEITURE PENALTY.**—Section 156(g) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(g)) is amended by adding at the end the following new paragraph:

“(3) **FORFEITURE PENALTY.**—The Secretary shall assess a penalty on the forfeiture of sugar pledged as collateral for a nonrecourse loan under this section. The penalty shall be 1 cent per pound for raw cane sugar and an equivalent amount, as determined by the Secretary, for refined beet sugar.”.

(b) **EFFECTIVE PERIOD.**—Section 156(j) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(j)) is amended by striking “2007” and inserting “2012”.

**SEC. 1302. FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.**

Section 359b(a)(1) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb(a)(1)) is amended in the matter preceding subparagraph (A) by striking “2007” and inserting “2012”.

Strike section 9013.

The Acting CHAIRMAN. Pursuant to House Resolution 574, the gentleman from Illinois (Mr. DAVIS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Illinois.

Mr. DAVIS of Illinois. Mr. Chairman, I yield myself 1 minute.

The Davis-Kirk amendment will strike the new sugar provisions which will drive up the price of domestic sugar, therefore making it more difficult to candy makers, food processors, and confectionery businesses to survive. This new bill raises the sugar price supports, restricts sugar imports, and instructs the Secretary to buy surplus sugar for use in making ethanol.

Since 1997, the sugar subsidies have cost the U.S. economy a loss of 70,000 jobs. The Davis-Kirk amendment will make sure that the sugar program does not cost any more jobs than what we have already lost.

I reserve the balance of my time.

Mr. PETERSON of Minnesota. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. PETERSON of Minnesota. The Davis-Kirk amendment to the 2007 farm bill would erase sugar policy measures that are designed to save taxpayers funds and prevent the U.S. sugar market from being overrun with subsidized foreign sugar. The economic impact in Minnesota alone of the U.S. sugar industry amounts to over \$1.3 billion per year. Nationwide, over \$10 billion is generated in economic impact from this industry.

While I sympathize with Members who are experiencing job losses in their districts, I would urge them to consider why job loss is happening. It is not because of the price of sugar. Food manu-

facturers are paying less for sugar today than they paid when Jimmy Carter was in the White House.

Now, the Davis-Kirk amendment would eliminate the market balancing provisions that we put in this bill. And this is really a safety valve to deal with the possibility of sugar coming in from Mexico, which I am not convinced is going to happen. So instead of dealing with this in a forfeiture way, which is the way the current system works, what this will do is it would allow us to deal with excess sugar that might come in from Mexico, and it would be done only as needed.

So we are not sure what is going to happen. Right now, the price of sugar in Mexico is higher than in the United States, and all the reports I am reading, they don't have any extra sugar in Mexico. So we are not even sure that this is a problem.

The Department has put this CBO score in there to try to screw us up with this program. They have been doing this for years. They have been trying to kill this program off. We have a mechanism here that makes sense, because we will put the sugar into ethanol, which speeds up the fermentation process and creates more ethanol in the process, this is corn ethanol plants, and it just makes sense. It is going to save us money, and it will make sure that we can maintain this industry.

They also in this amendment have a forfeiture penalty that would add insult to injury for American sugar farmers, as desperate farmers would have to pay back to the government 6 percent of their potential proceeds from the loan after the U.S. market prices have collapsed, if that ever would happen. So I strongly urge my colleagues to oppose this amendment.

I reserve the balance of my time.

Mr. DAVIS of Illinois. Mr. Chairman, I yield 45 seconds to the gentlewoman from Illinois, Representative BIGGERT.

□ 1045

Mrs. BIGGERT. Mr. Chairman, I don't know how it's possible, but this bill makes a bad sugar program even worse. Chicago was once referred to as the candy capital of the world because of our strong confectionery and manufacturing industry, but thanks to the sugar program and sugar subsidies, nearly one-third of the jobs in the industry have been lost.

This farm bill goes backward, not forward. Instead of recognizing the reality that the sugar program has cost American manufacturing jobs, this bill increases sugar price supports and widens the gap between U.S. and world prices.

I strongly support Mr. DAVIS and Mr. KIRK's amendment to keep cane refinery and food manufacturing jobs in the United States. This is a good amendment, and I urge my colleagues to vote for its adoption.

Mr. PETERSON of Minnesota. Mr. Chairman, I yield 1 minute to my good friend from Florida (Mr. HASTINGS).



Mr. HASTINGS of Florida. Mr. Chairman, I rise today in strong opposition to this amendment.

Consider, the cost of sugar over the past 27 years has actually decreased, and it remains the only commodity in the country that has actually contributed toward paying off the national debt.

But as the cost of sugar has gone down, the price at grocery stores for candy manufacturers and bakery manufacturers and other sweets are charging more for their products, whose main ingredient is sugar, has increased.

Footnote right there. Why does the confectionery industry get smaller and cost more?

I don't need to sugarcoat the facts, Mr. Chairman. American consumers are getting a sweet deal on sugar. It's so cheap in the U.S., they give it away in restaurants.

Unlike other commodities, the U.S. sugar program doesn't cost the American taxpayer one dime.

Do my colleagues realize that if this amendment passes, over 146,000 jobs, 25,000 of which are in South Florida, will be in jeopardy. Congress can't turn its back on these hardworking Americans simply because candy companies in the U.S. want to pay their workers pennies in South America rather than living wages in South Florida.

In my district, the cities of Belle Glade, Clewiston, South Bay and Pahokee will almost cease to exist if this amendment passes. Talk about getting a raw deal. As my distinguished colleague DALE KILDEE, who himself represents a significant portion of sugar beet country, is fond of saying and correctly so, we have the cleanest, greenest, and safest sugar supply in the world. I implore my colleagues to oppose this amendment.

Mr. DAVIS of Illinois. Mr. Chairman, it's my pleasure to yield 30 seconds to the gentleman from Illinois (Mr. LIPINSKI).

Mr. LIPINSKI. Mr. Chairman, I rise in strong support of the Davis-Kirk amendment.

The current sugar program has cost American workers tens of thousands of jobs, and it's cost American families \$1.9 billion per year, according to the GAO. It will cost taxpayers \$1.3 billion over the next 10 years, according to CBO. Unfortunately, a provision of this bill threatens more harm.

While I support this bill overall, we need this amendment, which prevents an increase in price supports for sugar, if and only if the Secretary of Agriculture determines that these changes contribute to a loss of jobs in the food and beverage manufacturing. The least we can do is ensure that changes in the sugar program do not kill good American manufacturing jobs. It's done harm in the Chicago area and across the Nation. We do not want to see more harm done.

I'd like to thank Mr. DAVIS for his leadership on this issue and encourage all my colleagues to support this amendment.

Mr. PETERSON of Minnesota. Mr. Chairman, I yield 30 seconds to the gentleman from Louisiana (Mr. MELANCON).

Mr. MELANCON. Mr. Chairman, briefly let me just say, this issue of the candy manufacturers leaving this country has nothing to do with the price of sugar. The price of sugar has been cheap for over 25 years. They're leaving because they're getting health benefits for their people at a cheaper price in Canada and Mexico. The utilities are cheaper, and the packages that are put together for them by the international countries across the border to our north and our south are taking them away. It has nothing to do with the price of sugar. Sugar is healthy. Sugar is better than the chemicals that people put in their food that cost a whole lot more. We're worried about energy; we're worried about food. Let's keep sugar sound in this country.

We're not energy independent. For the first time in the history of our country, 2 years ago we imported more foodstuff than we exported.

Mr. DAVIS of Illinois. Mr. Chairman, I yield 30 seconds to the gentleman from Illinois (Mr. KIRK).

Mr. KIRK. Mr. Chairman, I rise in support of this amendment. And when we had a neutral party look at this issue and the sugar program, it was the Commerce Department, and we asked the simple question, does this program cost American jobs? And the Commerce Department said 10,000 American families have lost their income because of the jobs exported overseas because of this program costing taxpayers over \$1 billion a year and, really, a symbol of 19th and 20th century thinking in a 21st century economy. So I rise in strong support of this and would like to return those jobs to the United States of America.

Mr. PETERSON. Mr. Chairman, I yield 30 seconds to my good friend from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Chairman, my district has been devastated by trade agreements and other policies of past Congresses. The population of my largest city has dropped from 180,000 to 118,000. Delphi is going through a bankruptcy. My General Motors jobs have dropped from 80,000 to 18,000.

The one bright spot in my district is agriculture, led by my sugar beet farmers who own the whole process from the fields through the refinery. Don't deliver another blow to my district by in effect abolishing this no-cost program. Let my sugar farmers help the economy of my district. They are our hope. Don't dash that hope. Defeat this amendment.

Mr. DAVIS of Illinois. Mr. Chairman, I yield 30 seconds to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, I appreciate the gentleman's courtesy and his leadership.

Three simple points. First of all, this amendment does not abolish the sugar program. It just doesn't make it worse.

Second, every independent agency, CBO, GAO, Department of Commerce, all conclude that this is not a no-cost program to Americans. It costs them over \$1 billion.

Third, in terms of the cost per job saved that my friend from Florida was concerned about, the Department of Commerce has pegged that at \$826,000 per job. One job in sugar production for three in sugar manufacturing. It's not a good trade-off.

Mr. PETERSON of Minnesota. Mr. Chairman, I yield the balance of our time to my good friend from North Dakota (Mr. POMEROY) who does an outstanding job representing his farmers and our sugar producers.

Mr. POMEROY. Mr. Chairman, this is a dispute about facts. I flat out absolutely reject the fact that this is costing jobs; in fact, American sugar producers, 146,000 jobs in 19 States, struggling without an increase in their market price for 22 years.

Now, this amendment would represent a loss in income averaging \$294 per acre. I'm telling you, if you're a farmer trying to make those ends meet and you're taking nearly a \$300 hit per acre as a result of this amendment, you are out of business.

Don't cost us these jobs. Reject this amendment.

Mr. DAVIS of Illinois. Mr. Chairman, I yield 30 seconds to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Chairman, I support this amendment to keep the subsidies for sugar from increasing in this bill.

The inflation of sugar prices that our misguided sugar policy drives costs U.S. families a total of almost \$2 billion every year. Every time you buy chocolate or breakfast cereal or any product that contains sugar, you pay a premium, and these subsidies inflate the price of sugar for Americans to twice the world price.

The subsidies are driving businesses out of the country. A GAO study confirms that 42 percent of these subsidies, by the way, go to just 1 percent. So I urge my colleagues to put an end to these harmful handouts.

Mr. DAVIS of Illinois. Mr. Chairman, I yield 20 seconds to the gentleman from Tennessee (Mr. WAMP).

Mr. WAMP. I just want to make the quick point that every commodity, sugar, corn, soybeans, are reduced on the AGI from \$2.5 million down to 1, except sugar. Why is it not reformed like the other crops in terms of how much a person can make to receive these government payments? Sugar is not only protected, it's helped through this bill instead of reformed like the other commodities.

Mr. DAVIS of Illinois. Mr. Chairman, I'll use the balance of our time.

Mr. Chairman, I have here in my hand a circular from the U.S. Department of Agriculture that says this amendment, while not the administration's proposal, provides more flexibility to manage the program in a way that minimizes costs to the U.S. taxpayer than the committee's bill.

In addition, the 1 cent penalty on forfeitures will help discourage forfeitures of sugar placed under loan. This amendment also eliminates the increase in the sugar loan rate, helping to reduce cost for taxpayers.

Let's give our taxpayers a break. Support the Davis-Kirk amendment.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. DAVIS).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. DAVIS of Illinois. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Illinois will be postponed.

EN BLOC AMENDMENT OFFERED BY MR. PETERSON OF MINNESOTA

Mr. PETERSON. Mr. Chairman, pursuant to House Resolution 574, I offer amendments en bloc, including germane modifications. The amendments are at the desk.

The Acting CHAIRMAN (Mr. BERRY). The Clerk will designate the amendments en bloc.

Amendments en bloc offered by Mr. PETERSON of Minnesota consisting of part B amendments numbered 20 and 29 printed in House Report 110-261:

AMENDMENT NO. 20 OFFERED BY MR. TERRY

The text of the amendment is as follows:

At the end of title IX, add the following new section:

**SEC. \_\_\_\_ SUPPLEMENTING CORN AS AN ETHANOL FEEDSTOCK.**

(a) RESEARCH AND DEVELOPMENT PROGRAM.—The Secretary of Agriculture shall establish a program to make grants of not to exceed \$1,000,000 each to no more than 10 universities for a 3-year program of demonstration of supplementing corn as an ethanol feedstock with sweet sorghum.

(b) PROGRAM GOALS.—The goals of the program under this section shall be to—

(1) enhance agronomic efficiency of the crop on marginal lands by—

(A) developing best management practices for maintaining high sorghum yields while using less water and nitrogen than corn;

(B) identifying and selecting plants with a high sugar content; and

(C) developing cold-tolerant sweet sorghum varieties to enable two crops to be grown per season;

(2) enhance ethanol processing potential in the crop by—

(A) developing a robust technology for centralized ethanol production facilities that pair high-performing sweet sorghum lines with different yeasts to produce the best process for converting sweet sorghum juice into ethanol;

(B) conducting process and chemical analyses of sweet sorghum sap fermentation;

(C) introducing cellulosic hydrolyzing enzymes into sweet sorghum to promote biomass conversion; and

(D) performing life-cycle analysis of sweet sorghum ethanol, including analysis of energy yield, efficiency, and greenhouse gas reduction;

(3) establish a sweet sorghum production system optimized for the region of the university conducting the research;

(4) improve sweet sorghum lines with higher sugar production and performance with minimal agricultural inputs;

(5) optimize sugar fermentation using selected yeast strains;

(6) develop sweet sorghum lines with improved cold tolerance and cellulosic degradation; and

(7) develop agricultural models for predicting agricultural performance and ethanol yield under various growing conditions.

(c) AWARD CRITERIA.—The Secretary shall award grants under this section only to universities that—

(1) have access to multiple lines of sweet sorghum for research; and

(2) are located in a State where sweet sorghum is anticipated to grow well on marginal lands.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary for carrying out this section \$10,000,000.

AMENDMENT NO. 29 OFFERED BY MR. HALL OF NEW YORK

The text of the amendment is as follows:

At the end of subtitle C of title II, add the following new section:

**SEC. 2303. MUCK SOILS CONSERVATION.**

(a) ESTABLISHMENT OF PROGRAM.—The Secretary of Agriculture shall carry out a conservation program under which the Secretary makes payments to assist owners and operators of eligible land specified in subsection (b) to conserve and improve the soil, water, and wildlife resources of such land.

(b) ELIGIBLE LAND.—To be eligible for inclusion in the program established under this section, the land must—

(1) be comprised of soil that qualifies as muck, as determined by the Secretary;

(2) be used for production of an agricultural crop;

(3) have a spring cover crop planted in conjunction with the primary agricultural crop referred to in paragraph (2);

(4) have a winter crop planted; and

(5) have ditch banks seeded with grass that is maintained on a year-round basis.

(c) PAYMENT AMOUNTS.—The Secretary may provide payments of not less than \$300, but not more than \$500, per acre per year under the program.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out the program \$50,000,000 for each of fiscal years 2008 through 2012.

MODIFICATION TO AMENDMENT NO. 20 OFFERED BY MR. TERRY

The Acting CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment No. 20:

The amendment as modified is as follows:

Page 572, line 15 strike "transportation" and insert "transportation or heating".

At the end of title IX, add the following new section:

**SEC. \_\_\_\_ SUPPLEMENTING CORN AS AN ETHANOL FEEDSTOCK.**

(a) RESEARCH AND DEVELOPMENT PROGRAM.—The Secretary of Agriculture shall establish a program to make grants of not to exceed \$1,000,000 each to no more than 20 universities for a 3-year program of demonstration of supplementing corn as an ethanol feedstock with sweet sorghum and switchgrass.

(b) PROGRAM GOALS.—The goals of the program under this section shall be to—

(1) enhance agronomic efficiency of the crop on marginal lands by—

(A) developing best management practices for maintaining high yields while using less water and nitrogen than corn;

(B) identifying and selecting plants with a high sugar content; and

(C) developing cold-tolerant sweet sorghum varieties to enable two crops to be grown per season;

(2) enhance ethanol processing potential in the crop by—

(A) developing a robust technology for centralized ethanol production facilities that pair high-performing sweet sorghum lines with different yeasts to produce the best process for converting sweet sorghum juice into ethanol;

(B) conducting process and chemical analyses of sweet sorghum sap fermentation;

(C) introducing cellulosic hydrolyzing enzymes into sweet sorghum to promote biomass conversion; and

(D) performing life-cycle analysis of sweet sorghum ethanol, including analysis of energy yield, efficiency, and greenhouse gas reduction;

(3) establish a production system optimized for the region of the university conducting the research;

(4) improve sweet sorghum lines with higher sugar production and performance with minimal agricultural inputs;

(5) optimize sugar fermentation using selected yeast strains;

(6) develop sweet sorghum lines with improved cold tolerance and cellulosic degradation; and

(7) develop agricultural models for predicting agricultural performance and ethanol yield under various growing conditions.

(c) AWARD CRITERIA.—The Secretary shall award grants under this section only to universities that—

(1) have access to multiple lines of sweet sorghum for research; and

(2) are located in a State where sweet sorghum is anticipated to grow well on marginal lands.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary for carrying out this section \$20,000,000.

Mr. PETERSON of Minnesota (during the reading). Mr. Chairman, I ask unanimous consent to dispense with the reading of the modifications.

The Acting CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Acting CHAIRMAN. Pursuant to House Resolution 574, the gentleman from Minnesota (Mr. PETERSON) and the gentleman from Virginia (Mr. GOODLATTE) each will control 10 minutes.

The Chair recognizes the gentleman from Minnesota.

Mr. PETERSON of Minnesota. Mr. Chairman, this amendment includes an amendment by Mr. TERRY, which has a demonstration project on sweet sorghum, which we think has a lot of potential for ethanol feedstock, as well as switch grass that was brought to us by Mr. DAVIS.

It also encourages environmentally responsible practices for actively farmed muck soil land in New York, which is some of our greatest farmland.

So I encourage support of the amendment.

At this time I'm very much honored to recognize the Speaker of the House for 1 minute. And I want to recognize her for her outstanding leadership helping this committee get to where it's at with this farm bill.

Ms. PELOSI. Mr. Chairman, I thank the gentleman, the distinguished chairman of the Agriculture Committee for yielding, and I want to congratulate him for this achievement for bringing this important bill to the floor.

I rise to tell you why I am supporting this legislation. Before I do though, I want to commend the exceptional leadership of our colleague, RON KIND, for his work over the years in helping to move us to a place where this farm bill, called the Farm, Nutrition and Bioenergy bill, looks quite different than the bill would have looked without his persistent and brilliant advocacy for conservation issues that are included in the bill. I think that he has moved this Congress and this legislation to a very important place that signals change and shows a new direction in our farm policy.

□ 1100

I support the Farm, Nutrition, and Bioenergy Act because it begins to reform farm policy while investing in energy independence, supporting conservation, strengthening nutrition assistance, and recognizing the importance of specialty crops. That means fruits and vegetables. It recognizes the vital role of our farmers and ranchers in providing food, fiber, and fuel for America and the world.

It was a big effort to bring this legislation to the floor. I acknowledge the achievements and the great work of the distinguished chairman. I want to acknowledge Congresswoman LOUISE SLAUGHTER, the Chair of the Rules Committee, who had to be available very late and very early in the morning to make this discussion possible. I want to commend Chairman RANGEL of the Ways and Means Committee and Congressman LLOYD DOGGETT for their leadership in helping to pay for this bill because this bill has all along, in all of its formation, been intended to be a bipartisan bill, which we had hoped it would be, a bill that met the needs of the American people and that is paid for. And paid for it is, indeed.

I strongly support the efforts Chairman PETERSON has made in this bill to ensure that America's family farmers fuel America's energy independence. Because of this legislation we will be sending America's energy dollars to the Midwest, not to the Middle East.

The 2007 Farm, Nutrition, and Bioenergy Act makes an historic \$2.4 billion investment in renewable energy, including biofuels and wind power. It boosts renewable energy investments by 600 percent and provides loan guarantees for the development of refineries that process renewable fuels. These efforts will ensure that, again, we send our energy dollars to the Midwest and across America, not to the Middle East and across the sea.

Energy independence is a national security issue, it is an environmental issue, it is an economic issue for our Nation and America's families. Thanks to this bill, it will also be an economic

opportunity for America's farmers. It will create a rural renaissance that will reenergize farm country and create new businesses and good-paying jobs in rural America.

I have seen that firsthand. It has already begun. It is an important initiative that is supported and endorsed in this legislation.

So, reason number one, why I am supporting this bill, is energy independence. Not in order of priority but in order of mention.

Next, conservation: the farm bill recognizes that those who work the land, America's farmers and ranchers, are also stewards of the land.

In the area of conservation, the Farm, Nutrition, and Bioenergy bill improves access to, and funding for, initiatives to take environmentally sensitive land out of production. It encourages environmentally friendly practices on working lands. And it will invest \$4.3 billion in new mandatory spending to preserve farm and ranchland, improve water quality, enhance soil conservation, air quality, and wildlife habitats on working lands.

Again I commend Congressman RON KIND for his exceptional work on the conservation issue over time.

The issue of nutrition, of course, is fundamental to all of the people of our country. And as a mother, I take special interest in the nutrition aspects of this bill. I want to commend the committee, Democrats and Republicans, our chairman; and Congresswoman ROSA DELAURO, the chairman of the Ag Subcommittee of Appropriations, who worked very hard to get the most money, made mandatory, and paid for in this legislation.

In the effort of feeding the people, and many of them in need, the Farm, Nutrition, and Bioenergy bill invests over \$11 billion over 10 years in nutrition initiatives to help low-income families. For the first time in 30 years, thank you, Mr. PETERSON, for the first time in 30 years, the bill increases the minimum food stamp benefit and increases and indexes to inflation the standard deduction, ensuring that rising food costs do not erode a family's purchasing power. It also eliminates the cap on child care costs to help the working poor, because in order to get the food stamps, you could only spend so much money on child care. What a self-defeating policy. This bill corrects that. The food stamp provisions in this bill will prevent benefit cuts for more than 13 million working Americans over the next 5 years.

That is why the Center for Budget and Policy Priorities, Catholic Charities USA, America's Second Harvest, and the Food Research and Action Center all support the nutrition funding contained in this bill.

In addition to recognizing Chairwoman ROSA DELAURO's exceptional work in this area, I want to recognize Congressman JIM MCGOVERN for his work in ensuring that the McGovern-Dole legislation, no relation, just a co-

incidence, JIM MCGOVERN is not the McGovern in the McGovern-Dole. That would be George McGovern and Senator DOLE, former Republican leader of the Senate Dole. Their initiative for the international food programs, which help American farmers and farmers in other parts of the world, is a very important way for America to protect our friendship and our values to the rest of the world. In this legislation, the McGovern-Dole initiative is mandatory, and it is funded to \$890 million, a big increase, and paid for.

As a Californian, I take special interest also that the bill makes a historic investment in specialty crops, providing \$1.7 billion in new mandatory spending. This investment was made possible by the leadership of Congressman DENNIS CARDOZA. And many provisions in his bill, the EAT Healthy America Act, which is a very important bill for us, EAT Healthy America Act, were incorporated in this bill that is before us today.

This legislation supports specialty crops, that is, fruits and vegetables, by increasing market access, encouraging and facilitating consumption of nutritious agricultural products, funding research initiatives and increasing opportunities for family farmers in conservation initiatives.

Specifically, just so you know what falls under this, the bill invests \$365 million for Specialty Crop Block Grants; \$350 million to expand the Fresh Fruit and Vegetable School Snack Program to all 50 States, and I repeat that, \$350 million to expand the Fresh Fruit and Vegetable School Snack Program to all 50 States; \$215 million to create a new dedicated research initiative for specialty crops; \$200 million to create a new initiative for early detection, prevention, and eradication of emerging pests and disease; \$55 million for organic agriculture.

What is important about all of this is many of these resources will be invested in the Northeast, in the Middle Atlantic States, in the Northwest and California, where agriculture is a very important part of the economy but where not very much attention had been paid in the past in the farm bills. This is a big change and signals a new direction in this farm bill.

Specialty crop producers, our fruit and vegetable growers, account for nearly half of all cash crop receipts in America and are a part of the farm economy in all 50 States, as I mentioned, especially important, California, the Northeast, Northwest, and Florida.

I mentioned that I was a Californian. I was also born in Maryland; so I know the importance of the Chesapeake Bay, and I salute the chairman for the initiative in here in support of the Chesapeake Bay. I see my colleague Majority Leader HOYER nodding his head in agreement. But I want to acknowledge Chairman CHRIS VAN HOLLEN, for whom this has been a priority since he came



to Congress, and now he has been joined by JOHN SARBANES in support of this. And I know it has bipartisan support because Congressman GILCHREST supports these initiatives as well.

From Monterey Bay across the country to the Chesapeake Bay, this bill represents a new direction. Let me just say that is why this bill is supported by the Specialty Crop Farm Bill Alliance, a national coalition of more than 120 specialty crop organizations.

Before I leave that point, I want to talk about food safety. One of the reasons that many of us are in politics, and I know many moms come to politics, is for our having a safer, clean environment for our children. Clean air, clean water, food safety, these are things we can't do for them, but we depend on public policy to do; and the initiatives in this legislation for food safety are important. They will be greatly enhanced by the legislation put forth next week by the Appropriations subcommittee Chair, Congresswoman DeLAURO, in her appropriations bill. But the bills are very compatible in that respect.

The farm bill also includes key provisions that invest in rural communities, including economic development initiatives and access to broadband telecommunications services to bridge the digital divide in rural, underserved areas. It also addresses health care, emergency, and first responder needs of rural areas, as well as creating new markets and rebuilding rural infrastructure.

And it pays special attention to the area of minority outreach and socially disadvantaged farmers by including an additional \$150 million, all paid for, to provide greater outreach, coordination, and technical assistance.

Finally, this bill takes a critical step toward reform by eliminating farm payments to millionaires and closing loopholes that for decades have allowed some to evade the payment limits. More needs to be done, but we have gone in the right direction for change and for reform.

As I said before, this legislation is paid for. And that is a very, very important part of this. It is part of our PAYGO, no-new-deficit spending. It was a challenge. It has been met. And it has been met in a way that meets our values.

The Farm, Nutrition, and Bioenergy Act will ensure that future farm bills will never look the same as those of the past. I see one of the co-Chairs of our Rural Working Group here, very important, who is putting forth the initiative on energy independence for rural America, Congresswoman STEPHANIE HERSETH SANDLIN. I thank you for your leadership in that regard. And thanks as well to the efforts of Chairman PETERSON and many others who have made an historic investment in energy independence and nutrition assistance. This bill's effects will also be felt far from farm country.

As George Washington said: "I know of no pursuit in which more real and

important services can be rendered to any country than by improving its agriculture . . ." That is as true now and it was then. President Washington understood, as this bill's authors understand, that encouraging and investing in American agriculture pays dividends to the entire Nation. In this legislation we will strengthen America's agriculture, but we also will do much more. We will help reignite rural America's economic engine and create good-paying jobs and create good businesses here at home. We will fuel a Nation's energy needs through clean, American-made renewable energy. We will be better stewards of the land and protect our environment. And, by the way, we hope to do much more in that regard when we go to conference. And we will be a more caring Nation by better meeting the needs of the most vulnerable.

Those great goals can be achieved with the help of this legislation and with the strong bipartisan support of the House today.

I just wanted to take a few minutes to tell you why I am supporting the Farm, Nutrition, and Bioenergy Act. And, once again, I salute the distinguished chairman for this achievement.

□ 1115

Mr. GOODLATTE. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I would like to thank the Speaker for coming down to the floor and discussing the bipartisan nature of the farm bill that was produced by the House Committee on Agriculture. It was, indeed, a bipartisan product. There are things in the bill that I don't like, things in the bill that I do like, things in the bill the chairman does not like, things in the bill that he does like. But it was a bipartisan product. But it was written under very difficult circumstances, which we identified at the outset, because of the fact that there is a \$60 billion cut in the baseline for the commodity program, a 58 percent cut. That meant we needed to have money to accomplish the goals that the Speaker outlined for reform, some of which I share with the Speaker for increased payments for conservation, for nutrition, for fruits and vegetables, for renewable energy. So we went to the Budget Committee in a bipartisan fashion and pointed out that you couldn't have a \$60 billion cut, achieve these new reforms, which all entail new spending, without having the ability to also have some additional resources. Well, the Budget Committee ignored that request and instead gave us a reserved fund. And their budget is papered over with reserve funds; no money in them, no way for the Agriculture Committee to find new funds without going outside of the committee.

We were assured inside the committee repeatedly that there would not be a tax increase. But nonetheless, in the closing hours of this debate, a tax

increase, indeed, was what was put forth outside of this committee, without hearings in the Ways and Means Committee, without a markup in the Ways and Means Committee, without any input from this side of the aisle. And that is what caused the loss of the bipartisanship coming to the floor, because this is precedent setting. This is the first of many of these reserve funds that we're going to have to deal with, and it is readily apparent what the purpose is: to raise taxes in order to accomplish something that should have been paid for in a budget that had funds available, 9 percent increase in appropriations. It should have been made available to us so we could write a bipartisan farm bill all the way through this House going to the floor.

Mr. Chairman, I reserve the balance of my time.

Mr. ETHERIDGE. Mr. Chairman, I recognize the gentleman from Maryland (Mr. HOYER) for 1 minute.

Mr. HOYER. I thank my distinguished friend, Mr. ETHERIDGE, chairman of one of our subcommittees on the Ag Committee.

I rise to congratulate Mr. PETERSON; indeed, I rise to congratulate Mr. GOODLATTE as well, who did work together. In fact, as late as Monday, we were together coming back from New York and talked about this bill. He indicated he thought it was a good bill. He did express then, quite honestly, he wanted to look at the pay-fors. That was obviously fair. He has decided that because of them, he cannot support the bill. I regret that.

I want to thank the chairman of the committee, Congressman PETERSON of Minnesota, for his hard work on this important legislation and his efforts in crafting a bipartisan reform bill. I think he has a bipartisan reform bill. I understand the pay-fors may preclude some, hopefully not all, from voting for this.

I would say to my friends on the other side of the aisle, you were very good at spending money and not very good at paying for things. You are consistent to that extent today. You went from a \$5.6 trillion surplus to a \$3 trillion deficit because we did not pay for what we bought. This bill does that.

It is a testament to the hard work of Mr. PETERSON and others on the committee that this farm bill reauthorization passed out of the Agriculture Committee on a voice vote, that is, with unanimous bipartisan support.

I also appreciate the work of the gentleman from Wisconsin (Mr. KIND) who cares deeply and thoughtfully about agriculture and our rural communities. His effort, with respect to this bill, was a very positive one. He has made important contributions on this issue, and I congratulate Mr. KIND, one of the finest Members of this body.

I believe that this farm bill deserves to pass today with strong bipartisan support. And I note that the ranking member of the committee, as I have said, even expressed on the House floor

yesterday, Mr. GOODLATTE said he would support this bill were it not for the inclusion of a pay-for.

About that provision, let us be clear. At literally the 11th hour, as this farm bill was about to be considered on this floor, the White House issued a veto threat and amazingly complained that we are actually trying to pay for this legislation, in part, by closing a corporate tax loophole. Now, when you close a loophole, does it mean that somebody is paying taxes that they otherwise would not pay? That's the definition of a loophole. Not just any corporate tax loophole, mind you, but a corporate tax loophole that the Bush administration itself recommended closing in 2002 and which Bill Thomas, the Republican chairman of the Ways and Means Committee, agreed with.

Let me quote Ken Dam, then-Deputy Treasury Secretary, and I quote, "Opportunities for earning stripping through artificial deductions and income shifting may exploit the network of tax treaties the United States maintains around the world." That's what we're dealing with. That's what Assistant Secretary Dam was talking about.

In 2002, the Treasury Department concluded, 2002, Republican Treasury Department concluded, "The prevalent use of foreign related-party debt in inversion transactions is evidence that these rules should be revisited." That is what we're doing.

So we're asking those who make good money in America to pay their fair share of the taxes in America. I believe the overwhelming majority of Americans agree with that proposition. Yes, Democrats would make it harder for overseas companies to use tax havens to avoid taxes on U.S. profits from hardworking Americans who buy their products and expect them to pay a fair share, a position formerly held, as I said, by the Bush administration, and even Bill Thomas.

The provision is not only good tax policy, but also a clear manifestation of this new Democratic majority's commitment to abide by the new pay-as-you-go budget rules that will help us restore fiscal discipline.

Those rules were adopted in a bipartisan fashion in 1990, reiterated in 1997 in an agreement which I voted for, President Clinton supported, and it was not until 2002 that those were abandoned by the Republicans because you could not pay for your tax cuts. That's why you abandoned PAYGO. And that's why the \$3 trillion debt occurred from a \$5.6 trillion surplus.

Now, as to the substance of this farm bill, Chairman PETERSON has written a bill that focuses on getting vital benefits to family farmers, investing in America's producer, stimulating rural economies, and securing renewable energy sources.

I, too, want to join in congratulating STEPHANIE HERSETH SANDLIN on the role that she has played in terms of the rural focus of this bill.

This bill imposes real payment limitations that will begin to reduce sub-

sidies, moving in a new and right direction. It makes historic investments in programs to support food and vegetable producers, an important element for not only California and the northeast, the middle Atlantic, but other areas as well.

It improves funding and access to conservation programs. It imposes payment limits that prevent millionaires from receiving farm subsidy benefits and makes payments transparent. Could we go lower? We could. Should we in the future? Yes. But we have made, in my opinion, a very significant start.

It invests in nutrition programs that help families in need. In the richest country on the face of the Earth, we ought to make sure that no child in America goes to sleep at night or wakes up in the morning hungry. We're trying to move towards that. I see the gentleman from California (Mr. BACA) who has been very involved in these programs as well.

And it encourages the expansion of renewable fuel production, providing loan guarantees for the development of refineries that produce renewable fuels. Energy independence is a critical objective, and this bill moves us towards that objective.

Mr. Chairman, I am particularly pleased that this legislation includes more than \$175 million in direct assistance to help our farmers in their ongoing efforts to be good stewards of the Chesapeake Bay. We have made some strides to restore this magnificent estuary, but much more work needs to be done.

I want to thank my friend TIM HOLDEN from Pennsylvania and Nona Darrell, his chief staffer, who helped work on this effort.

To move us forward in this regard, the bill will implement an innovative strategy targeting individual river watersheds, including the Patuxent and the Potomac, to help our producers prevent shoreline erosion, control sediments, reduce nitrogen loads, and establish a long-term monitoring program.

Again, my colleagues, I want to congratulate Chairman PETERSON on this bill. I also want to congratulate Mr. GOODLATTE. I wish he was supporting this bill at this point in time, but I know that he worked to get much of the bill, which but for the pay-fors it's my understanding he would support. But the pay-fors are critical if America is going to pay its bills and not simply pass them along to future generations, whether they be farm children, suburban children, or rural children.

This bill is a responsible, important step forward in farm policy and energy policy and nutritional policy and in conservation policy. I congratulate the members of the committee on their product, and I urge my colleagues to enthusiastically support this product.

Mr. GOODLATTE. Mr. Chairman, I yield myself 30 seconds to say to the distinguished majority leader that I

join him in the support of this bill for the efforts to help preserve and protect the Chesapeake Bay, but also to correct the assertion that I object to the pay-fors. I objected all along to a tax increase all through the process. And I went with the chairman to the Budget Committee at the outset and asked for a fair portion of the current Federal budget for agriculture, and that is what we expected to come forward from the budget. We didn't receive it. So that's what we expected the leadership to provide later on. It was not provided. Instead, we're asked to pay a tax increase on American businesses, and that is wrong.

Mr. Chairman, at this time, it is my pleasure to recognize the distinguished Republican whip, the gentleman from Missouri (Mr. BLUNT) for 3 minutes.

Mr. BLUNT. Mr. Chairman, I thank the gentleman for the time this morning. I also want to join my good friend, the majority leader, and say how much I appreciate the work that's been done by Chairman PETERSON, by Mr. GOODLATTE, by the members on the committee in a bill that I had every intention of voting for as it went through the committee. I didn't like everything in it, but I did like some things in it a lot. There are some problems solved in this bill.

The big problem is created in the bill in a way that I wouldn't suggest intentionally, but certainly has the effect of taking a bill that would have had a huge bipartisan vote, giving this bill great momentum in the Senate, and I think needlessly minimized the House support for this bill.

Following up on Mr. GOODLATTE's comments that he just made, if the budget allocation could have been done in a way that the appropriations bill we voted on yesterday, it would have had a 5 percent increase instead of a 6½ percent increase, we wouldn't be having this debate today. In fact, I would be here today with enthusiasm about the bill, though again, I would say that I don't like everything in it, but I like some things in it a lot.

What happened was this bill deserved to have a chance in the committees to find the right kind of pay-fors. In the committee hearing itself, and I am quoting my friend, Chairman PETERSON, exactly when he was asked about whether there would be a tax increase, he said, "We think it will be something to do with collection of existing taxes, which has nothing to do with tax increases." Quoting the chairman further, "So far as I know, there is no effort to use a tax increase that I am aware of at this point. But given all of that, we do not have jurisdiction. If we had jurisdiction to raise taxes, we wouldn't be going through some of these machinations we are going through." And that ends the Chairman's quote.

This bill should have been in a committee to look at this pay-for. The Ways and Means Committee didn't meet. The Rules Committee didn't

have the language for the pay-for when they did their markup earlier this week, according to Louise Slaughter, the chairman of the Rules Committee.

We've done things here that don't just affect people who are trying to avoid taxes. What this pay-for does is abrogates our tax treaties with countries where we do business, and people who do business here. 5.1 million manufacturing jobs and millions of other nonmanufacturing jobs affected by this, mistrust in whether you can invest money in this country in the future if you're a foreign investor. Some of our Members can make a passionate case about many jobs that have been saved in their districts because a foreign country, a foreign investor who just happened to make particular sense in what they did, came in and saved those jobs.

I think it's a shame that we've had to have this debate. I urge that all Members vote against the bill.

Mr. PETERSON of Minnesota. Mr. Chairman, I would like to yield myself 30 seconds.

The quote that my good friend read is an accurate quote; at the time, that's what I thought. But I just want to make clear that in my opinion what we're doing here is not a tax increase. And frankly, what we ought to be doing is investigating why we have all these people on the payroll at the State Department and at the Treasury going out and negotiating deals so we can have foreign corporations come to the United States and avoid paying taxes. And all we're doing is trying to stop that. So I don't see this as a tax increase.

Mr. Chairman, I yield 1 minute to my friend from Maine (Mr. ALLEN).

□ 1130

Mr. ALLEN. I thank Chairman PETERSON for yielding for the purpose of a colloquy.

I want to congratulate him in the passage of this farm bill. I want to commend him for significant funding increases, in particular for the Senior Farmers' Market and Nutrition program, a program that provides fresh fruits and vegetables to low-income seniors through farmers markets, roadside stands and community-supported agriculture. When it is working properly, this program provides health benefits to seniors and new business opportunities to farmers.

I had submitted an amendment that was not made in order. My amendment would have made it easier for States to incorporate community-supported agricultural distribution programs into their Senior Farmers' Market Nutrition programs. In particular, my amendment would have given States the flexibility to set the maximum benefit level per senior in a way best suited to the needs of farmers and seniors in each State.

Our experience in Maine has been that community-supported agriculture works extremely well for farmers and

is an excellent way to reach seniors who do not live close enough to a farmers market or who are not mobile enough to get up and go shopping. Indeed, Maine's community-supported agriculture program has drawn national acclaim since it was instituted.

Mr. Chairman, I would simply ask Chairman PETERSON if he is willing to work with me to incorporate these beneficial reforms into the 2007 farm bill.

Mr. PETERSON of Minnesota. Mr. Chairman, I appreciate the uniqueness of Maine and the gentleman's interest in tailoring this program to the needs of his State. I assure him I will work with him to try to find an acceptable solution to this problem, and I look forward to that.

Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Maryland (Mr. VAN HOLLEN), who has worked with us very diligently to craft a solution or start a solution for the Chesapeake Bay problem. I appreciate his leadership.

Mr. VAN HOLLEN. Mr. Chairman, I want to commend Speaker PELOSI and Chairman PETERSON and all the members of the Agriculture Committee for the work they have done in crafting this very important bill.

Mr. Chairman, I think we all understand that no bill that comes before this House is perfect. But this bill represents a very careful balancing of important national priorities: protecting the family farmer, strengthening the nutrition program. And I want to thank subcommittee chairman JOE BACA for those efforts, land conservation, environmental protection and renewable energy sources, and all done in a fiscally responsible manner.

I am especially grateful and thankful for the efforts of Chairman PETERSON and subcommittee Chairman HOLDEN for their efforts to protect the Nation's largest estuary, the Chesapeake Bay.

The Chesapeake Bay comprises six States and the District of Columbia as part of its watershed. The scientists have told us that the health of the Chesapeake Bay is in grave danger unless we take action now. Almost 50 percent of the excessive nutrient pollution in the Chesapeake Bay comes from the runoff from farm operations. Our farmers want to be part of the solution to this problem.

This bill provides farmers on the more than 66,000 farms in the Chesapeake Bay watershed with the tools they need to help protect the Chesapeake Bay. It represents a historic leap in Federal support for our efforts to protect this national natural treasure, the Chesapeake Bay.

Mr. Chairman, I want to thank again the members of the committee for taking this landmark step with respect to Chesapeake Bay protection. It is a national treasure. It is a bay, of course, in the backyard of our Nation's Capitol. We need to lead by example. I thank the chairman, and I thank the committee.

Mr. Chairman, I urge adoption of this bill.

Mr. GOODLATTE. Mr. Chairman, I yield 3 minutes to the House Republican Conference chairman, the gentleman from Florida (Mr. PUTNAM).

Mr. PUTNAM. I thank my ranking member for the time.

Mr. Chairman, I rise today to lament a real missed opportunity here. I listened carefully to the Speaker's remarks and agreed with almost everything she said about this bill. I have enjoyed the leadership of our ranking member, Mr. GOODLATTE, Mr. CARDOZA on the other side of the aisle, and others from States that have a high production level of fruits and vegetables.

This bill, on a bipartisan basis, recognizes that need, makes investments that are necessary in research, and on a bipartisan, in fact, on a unanimous basis came out of committee that way. But a funny thing happened on the way to House floor, which was that at the last minute, and not from any committee process that has jurisdiction over tax law, \$10 billion in tax increases were added.

So we are asked to take a bipartisan product that represents an important step forward in many ways for American agriculture and pay \$10 billion in ransom. The tragedy of that long-term for American agriculture is that it is pitting 1.5 percent of the population that affords our Nation the safest, cheapest, most abundant food in the world, it is pitting those jobs against American manufacturing jobs. Long-term, the 1.5 percent of the population that represents farm country will lose that arithmetic.

This is an unprecedented move to use a farm bill as a vehicle to increase taxes. The taxes that will be due tomorrow that were not due yesterday are coming out of, in many cases, manufacturers who purchase the products that American farmers and livestock producers grow. It is a tax, in many cases, on the farm equipment manufacturers and the agricultural suppliers.

Are we so lost in the weeds of this that we don't realize that American farmers are part of a global economy, that they are part of an international, integrated, highly vertical organization that involves international companies like Nestle, like Cadbury, like Food Lion that buy what it is that we grow? Do we think that we are insulated from the impacts of additional taxes on our customers, our suppliers, our equipment manufacturers, that we can sustain that blow? That is the policy problem with this conundrum that we have been handed.

But the long-term political problem is the notion of pitting manufacturing jobs in America against agricultural jobs in America. That is not sustainable for American agriculture. That is not good public policy for the American consumer.

So we have taken a bill that would have sailed out of the House of Representatives with an overwhelming bipartisan margin and given great momentum to the lethargic Senate that

has failed to even have a hearing on the farm bill, we could have put the House on the farm bill, and now it is veto bait. That is the tragedy.

Mr. PETERSON of Minnesota. Mr. Chairman, I am now pleased to yield 1 minute to the gentlewoman from South Dakota (Ms. HERSETH SANDLIN), another one of our outstanding members of the Agriculture Committee.

Ms. HERSETH SANDLIN. I thank the distinguished chairman for yielding for the purpose of a colloquy.

Chairman PETERSON, as you know, I have introduced legislation with the support of over 50 colleagues to fund the reduced-price school meal pilot, authorized in the 2004 Child Nutrition and WIC Reauthorization Act through the efforts of the Education and Labor Committee.

My legislation also enjoys support from a broad range of organizations that feel, like I do, that many low-income children across the country aren't participating in the school nutrition programs because they cannot afford the reduced fee. My legislation would provide the resources needed to test the effectiveness of harmonizing the WIC income guidelines, which are 185 percent of poverty guidelines, with the free school lunch guidelines, thereby eliminating the reduced-price meal category and expanding eligibility for free school meals.

While this proposal wasn't included in the committee bill due to its cost and committee jurisdictional concerns, I would welcome the opportunity to keep working with you and see how we might accomplish the objective of the legislation.

Mr. PETERSON of Minnesota. I thank the gentlewoman, and I want to commend her for her leadership on this issue. It is something I am concerned about. So I agree to work with the gentlewoman to accomplish the objectives of this legislation.

Ms. HERSETH SANDLIN. I thank the gentleman very much for his commitment and support for this initiative. It will obviously be very helpful going forward.

Mr. GOODLATTE. Mr. Chairman, I yield the balance of my time to the gentleman from Nebraska (Mr. TERRY).

Mr. TERRY. I thank the gentleman.

Mr. Chairman, I am actually going to speak on the amendment that was offered almost 10 minutes ago. I just want to express my appreciation to you, Chairman PETERSON, for agreeing to this and working with us to make a good amendment even better by including switch grass and expanding it.

Certainly there is no doubt that ethanol is going to be a key ingredient in our recipe for energy independence. We have to do more research and development into cellulosic ethanol, of which sweet sorghum, which is pictured here in this graph, and switch grass, are going to be a key component. We can't do it all with ethanol from corn, so we need other products to develop the cellulosic, to add on top of that to be able

to become less dependent on foreign oil. So we need to do the research.

This offers grants to universities that will compete. They have to show that they are competitive in this type of research to earn a \$1 million grant to do this.

Our energy needs require us to speed up this process. Ethanol made from cellulosic materials, like sweet sorghum or switch grass, has nine times the amount of energy as regular ethanol. So that is another reason why we have to add this.

I want to compliment the ranking member and the chairman in putting together really a pretty good bill. Forty-eight hours ago I was telling all of our farm groups that I was very proud to support this type of legislation, especially because of the bio-energy issues in here. But, unfortunately, those of us that have said we will vote against tax increases have been put in a very tough position.

Mr. PETERSON of Minnesota. Mr. Chairman, I am now pleased to yield 1 minute to the gentlewoman from New York (Ms. VELÁZQUEZ), the esteemed Chair of the House Small Business Committee.

Ms. VELÁZQUEZ. Mr. Chairman, Chairman PETERSON and I agreed that I would not offer an amendment based on our mutual support for the amendment's purpose. I want to thank Chairman PETERSON for his leadership on H.R. 2419, and I would like to enter into a short colloquy with Chairman PETERSON.

This farm bill is critical for our economy, good nutrition, our small businesses, and it does a lot for underserved populations too. Low-income and minority communities suffer disproportionately from the lack of fresh fruits and vegetables.

In many neighborhoods of New York and across the country where farmers markets are scarce, corner stores are the only place residents shop for their weekly groceries. Unfortunately, due to the limitation of space and many obstacles, many of these stores cannot offer fresh produce and other healthy foods.

Farmers markets and other non-conventional fruit retail sites are essential and play a large role in bringing our communities nutritious food. But without simple and critical technologies, farmers markets are unable to serve low-income consumers. That is why I strongly support expanding wireless electronic benefit transfers. These EBT debit machines allow food stamp consumers to use their resources for fresher, healthier foods. Wireless EBTs are especially crucial for low-income consumers to use.

Mr. PETERSON of Minnesota. Mr. Chairman, I recognize the gentlewoman's leadership. I think we can solve this problem with a letter to USDA. So if the gentlewoman will work with me, we will do that. I think we can get this resolved. I support you on this.

Ms. VELÁZQUEZ. Mr. Chairman, I thank the chairman for doing that. That is important not only to provide fresh fruit and produce, but also to fight obesity and other diseases in our country.

Mr. PETERSON of Minnesota. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from Maryland (Mr. CUMMINGS).

□ 1145

Mr. CUMMINGS. Mr. Chairman I rise to enter into a short colloquy with the chairman. First of all, I thank the chairman for producing a balanced and outstanding bill.

I come to raise an issue of concern to me regarding the food stamp eligibility for people who seek assistance for drug and alcohol abuse. This is why I offered an amendment to H.R. 2419, to ensure equal access to this vital benefit program regardless of whether one participates in an institutional drug rehabilitation program or supportive housing.

Mr. Chairman, the Food Stamp Program was designed to allow those who participate in private and public drug and alcohol treatment programs and individuals who live in supportive housing to receive food stamp benefits. However, the current language in the law that provides this benefit has been misinterpreted by various State officials. This ambiguity has made it difficult for individuals in supportive housing and rehabilitation programs to access food stamp benefits for which they are eligible.

I would ask the chairman if you would work with me in conference to see if we can address this inequity.

I yield to the gentleman.

Mr. PETERSON of Minnesota. I appreciate the gentleman's leadership on this issue. We will work with you to help clarify the way States interpret food stamp eligibility guidelines and hope for a positive solution.

Mr. CUMMINGS. I thank you, Mr. Chairman.

The Acting CHAIRMAN. The question is on the en bloc amendment offered by the gentleman from Minnesota (Mr. PETERSON).

The en bloc amendment was agreed to.

Mr. PETERSON of Minnesota. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SERRANO) having assumed the chair, Mr. BERRY, Acting Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 2419) to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes, had come to no resolution thereon.